

Agile 360 A/S

Inge Lehmanns Gade 10

8000 Aarhus C

Central Business Registration No

37127965

Annual report 2015/16

The Annual General Meeting adopted the annual report on 06.03.2017

Chairman of the General Meeting

Name: Øjvind Hulgaard

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Entity details

Entity

Agile 360 A/S
Inge Lehmanns Gade 10
8000 Aarhus C

Central Business Registration No: 37127965
Founded: 29.09.2015
Registered in: Aarhus
Financial year: 29.09.2015 - 31.12.2016

Board of Directors

Øjvind Hulgaard
Åge Troels Dragsted
Mads Kristian Metho Reinhold Bendt

Executive Board

Åge Troels Dragsted

Bank

Handelsbanken
Åboulevarden 11
8000 Aarhus

Lawyer

Hulgaard Advokater P/S
Marselisborg Havnevej 22, 1.
8000 Aarhus

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
City Tower, Værkmestergade 2
8000 Aarhus C

Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of Agile 360 A/S for the financial year 29.09.2015 - 31.12.2016.

The annual report is presented in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2016 and of the results of its operations for the financial year 29.09.2015 - 31.12.2016.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Aarhus C, 23.02.2017

Executive Board

Åge Troels Dragsted

Board of Directors

Øjvind Hulgaard

Åge Troels Dragsted

Mads Kristian Metho Reinhold
Bendt

Independent auditor's reports

To the shareholders of Agile 360 A/S

Report on extended review of the financial statements

We have performed an extended review of the financial statements of Agile 360 A/S for the financial year 29.09.2015 - 31.12.2016. The financial statements, which comprise the income statement, balance sheet, statement of changes in equity, notes and accounting policies, are prepared in accordance with the Danish Financial Statements Act.

Management's responsibility for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on the financial statements. We conducted our extended review in accordance with the assurance engagement standard for small enterprises as issued by the Danish Business Authority and the standard on extended review of financial statements prepared in accordance with the Danish Financial Statements Act as issued by FSR - Danish Auditors.

This requires that we comply with the Danish Public Accountants Act and FSR – Danish Auditors' Code of Conduct and plan and perform procedures to obtain limited assurance about our opinion on the financial statements and that we perform specifically required supplementary procedures for the purpose of obtaining additional assurance about our opinion.

An extended review consists of making inquiries, primarily of management and, if appropriate, of other entity personnel, performing analytical procedures and specifically required supplementary procedures as well as evaluating the evidence obtained.

The procedures performed in an extended review are less in scope than in an audit, and accordingly we do not express an audit opinion on the financial statements.

Conclusion

Based on our extended review, in our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2016 and of the results of its operations for the financial year 29.09.2015 - 31.12.2016 in accordance with the Danish Financial Statements Act.

Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

Independent auditor's reports

In connection with our extended review of the financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the extended review or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the management commentary is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the management commentary.

Aarhus C, 23.02.2017

Deloitte

Statsautoriseret Revisionspartnerselskab

Central Business Registration No: 33963556

Jakob Boutrup Ditlevsen

State Authorised Public Accountant

Management commentary

Primary activities

Agile 360 A/S was founded in September 2015 with the object clause to develop, produce and sell electrically powered wheelchairs and other business relating to this. The purpose is to utilize the innovative new wheel frame for which the parent company, Bendt IPR ApS, is applying for patent rights. A license agreement has been signed between Agile 360 A/S and Bendt IPR, which grants Agile 360 rights to the patent for use exclusively in relation to the development and marketing of powered wheelchairs.

Development in activities and finances

Agile 360 established a development team led by the inventor and co-founder of Bendt IPR, Mr. Mads Bendt, M.Sc. Mech. Eng., MBA and BA Education. The first, fully functional prototype of the developed wheelchair stemming from this arrangement was completed by March 2016, and the following prototype #2 with a design close to the intended for the final version was completed by November 2016.

Agile 360 A/S is supported financially by several external parties. "Markedsmodningsfonden" in English: The Market Development Fund, a public fund under the Danish Business Authority, a branch of the Ministry of Business, has granted a subsidy of DKK 1.8 million in November 2016, following a quite thorough application process.

Moreover, an agreement has been signed in December 2016 with Aarhus Municipality, Department of Welfare Technology and Supported Living, specifying that Agile 360 will deliver ten (10) 0-series units in December 2017. The 10 units of the Agile 360 mobility device will be used for a user test which the Department of Welfare Technology and Supported Living and Agile 360 will conduct together.

Practically all activities of the company have been focused on the development of the new, advanced wheelchair or mobility vehicle, as we prefer calling it.

In the forthcoming year, Agile 360 will finish constructing and building the 0-series, and hence become able to fulfill the agreement signed with Aarhus Municipality. Parallel to this, further financing for the project will be sought, to ensure the continued operation and well-being of the company. A campaign to search potential capital investors has already been launched, and a series of contacts following this have been established. Contacts have likewise been made to some of the biggest producers in the wheelchair industry, and a series of meetings have been scheduled. This is done in an effort to find potential cooperative partners with whom Agile 360 may fulfill its aims of having its new, highly innovative mobility vehicle manufactured and brought to the international market.

Agile 360 remains positive when looking towards the 'horizon of expectation' of the future. The company's mentioned aims of finishing the production of the mobility vehicle and bringing it to the international market still seem highly reasonable, cf. the above. Agile 360 has continuously and consistently been met by very positive feedback from whomever may have been introduced to the project, and we remain confident in the strength and potential of our product. Therefore, the Management are optimistic about the future and the company's continuous dedication to fulfill its purpose.

Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

Income statement for 2015/16

	<u>Notes</u>	<u>2015/16</u> <u>DKK</u>
Own work capitalised		5.000.000
Other external expenses		<u>(3.619.367)</u>
Gross profit/loss		1.380.633
Staff costs	1	<u>(1.510.179)</u>
Operating profit/loss		(129.546)
Financial expenses from group enterprises		(64.750)
Other financial expenses		<u>(2.374)</u>
Profit/loss before tax		(196.670)
Tax on profit/loss for the year	2	<u>37.000</u>
Profit/loss for the year		<u>(159.670)</u>
Proposed distribution of profit/loss		
Retained earnings		<u>(159.670)</u>
		<u>(159.670)</u>

Balance sheet at 31.12.2016

	<u>Notes</u>	<u>2015/16 DKK</u>
Development projects in progress		<u>5.000.000</u>
Intangible assets	3	<u>5.000.000</u>
 Fixed assets		 <u>5.000.000</u>
 Trade receivables		623.750
Other receivables		81.296
Income tax receivable		<u>1.100.000</u>
Receivables		<u>1.805.046</u>
 Cash		 <u>1.973.340</u>
 Current assets		 <u>3.778.386</u>
 Assets		 <u>8.778.386</u>

Balance sheet at 31.12.2016

	Notes	2015/16 DKK
Contributed capital	4	1.000.000
Share premium		6.064.750
Reserve for development expenditure		3.900.000
Retained earnings		(4.059.670)
Equity		6.905.080
Deferred tax		1.063.000
Provisions		1.063.000
Contract work in progress		499.000
Trade payables		128.023
Other payables		183.283
Current liabilities other than provisions		810.306
Liabilities other than provisions		810.306
Equity and liabilities		8.778.386
Contingent liabilities	5	

Statement of changes in equity for 2015/16

	Contributed capital DKK	Share premium DKK	Reserve for development expenditure DKK	Retained earnings DKK
Contributed upon formation	500.000	1.500.000	0	0
Increase of capital	500.000	4.564.750	0	0
Profit/loss for the year	0	0	3.900.000	(4.059.670)
Equity end of year	1.000.000	6.064.750	3.900.000	(4.059.670)
				Total DKK
Contributed upon formation				2.000.000
Increase of capital				5.064.750
Profit/loss for the year				(159.670)
Equity end of year				6.905.080

Notes

	2015/16
	DKK
1. Staff costs	
Wages and salaries	1.316.601
Other social security costs	7.648
Other staff costs	185.930
	1.510.179
 Average number of employees	 3
	2015/16
	DKK
2. Tax on profit/loss for the year	
Tax on current year taxable income	(1.100.000)
Change in deferred tax for the year	1.063.000
	(37.000)
	Develop- ment projects in progress DKK
3. Intangible assets	
Additions	5.000.000
Cost end of year	5.000.000
 Carrying amount end of year	 5.000.000

Development projects in progress

The capitalized development projects in progress are related to development of a new advanced mobility vehicle. An agreement has been signed in December 2016 with Aarhus Municipality, Department of Welfare Technology and Supported Living, specifying that Agile 360 will deliver ten (10) 0-series units in December 2017. In the forthcoming year, Agile 360 will finish constructing and building the 0-series, and hence become able to fulfil the agreement signed with Aarhus Municipality.

Agile 360 remains positive when looking towards the 'horizon of expectation' of the future. The company's mentioned aims of finishing the production of the mobility vehicle and bringing it to the international market still seem highly reasonable, cf. the above.

Notes

	Number	Par value DKK	Nominal value DKK
4. Contributed capital			
Contributed upon formation	500	1.000	500.000
Increase of capital	500	1.000	500.000
	1.000		1.000.000

5. Contingent liabilities

The Entity participates in a Danish joint taxation arrangement in which Bendt IPR ApS serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc for the jointly taxed entities, and if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed entities. The total known net liability of the jointly taxed entities under the joint taxation arrangement is evident from the administration company's financial statements.

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of certain provisions for reporting class C.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the rate in effect at the payment date, or the rate at the balance sheet date are recognised in the income statement as financial income or financial expenses.

Public grants

Public grants are recognised when final commitment has been received from the grantor and it is probable that the conditions of the grant will be fulfilled. Grants are recognised as income in the income statement as received. Grants awarded for acquisition of assets are deducted from the asset cost.

Income statement

Own work capitalised

Own work capitalised comprises staff costs and other in-house costs incurred in the financial year and recognised in cost for proprietary intangible assets and property, plant and equipment.

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes writedowns of receivables recognised in current assets.

Accounting policies

Staff costs

Staff costs comprise salaries and wages as well as social security contributions, pension contributions, etc for entity staff.

Financial expenses from group enterprises

Financial expenses from group enterprises comprise interest expenses etc from payables to group enterprises.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities as well as tax surcharge under the Danish Tax Prepayment Scheme etc.

Tax on profit/loss for the year

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

The Entity is jointly taxed with Bendt IPR ApS. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

Balance sheet

Intellectual property rights etc

Intellectual property rights etc comprise development projects completed and in progress with related intellectual property rights, acquired intellectual property rights and prepayments for intangible assets.

Development projects on clearly defined and identifiable products and processes, for which the technical rate of utilisation, adequate resources and a potential future market or development opportunity in the enterprise can be established, and where the intention is to manufacture, market or apply the product or process in question, are recognised as intangible assets. Other development costs are recognised as costs in the income statement as incurred. When recognising development projects as intangible assets, an amount equalling the costs incurred is taken to equity under Reserve for development costs that is reduced as the development projects are amortised and written down.

The cost of development projects comprises costs such as salaries and amortisation that are directly and indirectly attributable to the development projects.

Indirect production costs in the form of indirectly attributable staff costs and amortisation of intangible assets and depreciation of property, plant and equipment used in the development process are recognised in cost based on time spent on each project.

Completed development projects are amortised on a straight-line basis using their estimated useful lives which are determined based on a specific assessment of each development project. If the useful life cannot

Accounting policies

be estimated reliably, it is fixed at 10 years. For development projects, protected by intellectual property rights, the maximum period of amortisation is the remaining duration of the relevant rights.

Receivables

Receivables are measured at amortised cost, usually equalling nominal value less writedowns for bad and doubtful debts.

Contract work in progress

Contract work in progress is measured at the selling price of the work carried out at the balance sheet date.

The selling price is measured based on the stage of completion and the total estimated income from the individual contracts in progress. Usually, the stage of completion is determined as the ratio of actual to total budgeted consumption of resources.

If the selling price of a project in progress cannot be made up reliably, it is measured at the lower of costs incurred and net realisable value.

Each contract in progress is recognised in the balance sheet under receivables or liabilities other than provisions, depending on whether the net value, calculated as the selling price less prepayments received, is positive or negative.

Costs of sales work and of securing contracts as well as financing costs are recognised in the income statement as incurred.

Income tax payable or receivable

Current tax payable or receivable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax.

Cash

Cash comprises cash in hand and bank deposits.

Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and tax-based value of assets and liabilities, for which the tax-based value of assets is calculated based on the planned use of each asset.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

Deferred tax relating to retaxation of previously deducted losses in foreign subsidiaries is recognised on the basis of an actual assessment of the purpose of each subsidiary.

Other financial liabilities

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.